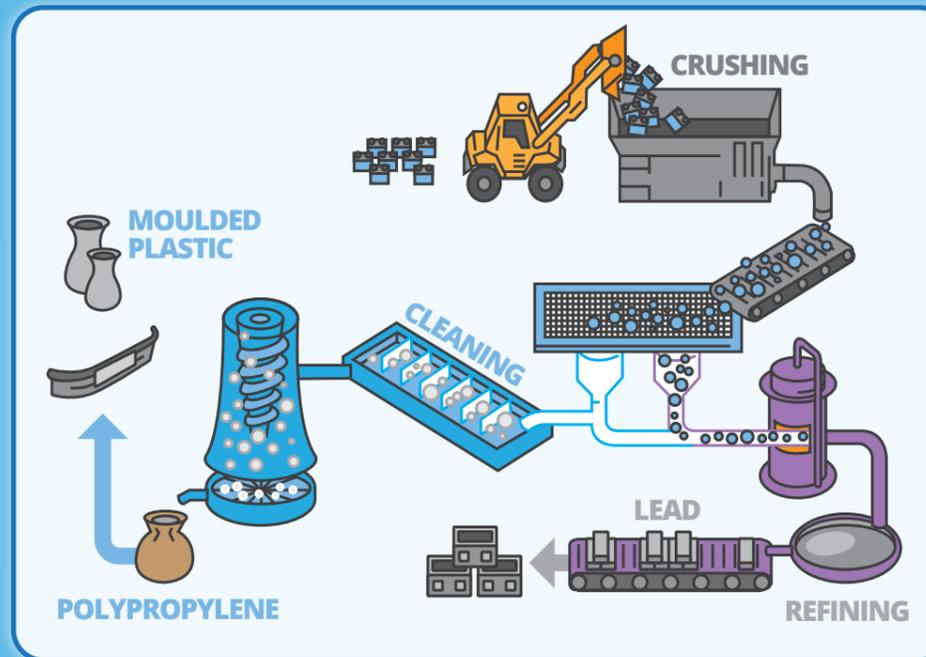


Functions of Production Department

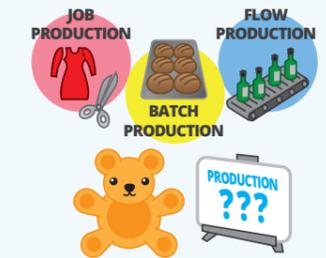
- Production planning and scheduling → making sure that the correct number of items are produced to fulfil order on time
- Deciding the best production methods to use
- Managing product quality (including process control and monitoring)



Production

Definition: The process of changing inputs such as labour services into goods and services that can be sold.

Methods of Production



Method of Production:	Job	Batch	Flow/Mass
Definition	<ul style="list-style-type: none"> • Involves the manufacture of an individual good from start to finish. • Each product is different and offers a unique good for the consumer or meets specific consumer requirements. 	<ul style="list-style-type: none"> • Found when a small number of identical products are made at once. • Each batch goes through one stage of the production process before moving onto next stage. 	<ul style="list-style-type: none"> • Goods are produced continuously usually on a production line. • Partly finished goods move along the assembly line with parts being added through the process.
Examples	Wedding dresses, Hairdresser	Clothing Manufacturer, Bakery	Golf balls
Advantages	<ul style="list-style-type: none"> ✓ Unique → bespoke → to customer specification. ✓ Higher quality → product is made one at a time → everyone different. 	<ul style="list-style-type: none"> ✓ More products can be produced → allow for higher sales. ✓ Costs for producing each product (unit costs) are lower. ✓ Production is more efficient → workers can specialize in performing specific tasks. ✓ Specialist machinery can be used → speed up production. 	<ul style="list-style-type: none"> ✓ Efficient use of labour and machines → division of labour. ✓ Produces similar/identical goods → production quicker. ✓ Reduce unit costs of production → benefit from economies of scale.
Disadvantages	<ul style="list-style-type: none"> ✗ Expensive → workers tend to have higher skills and therefore higher wages. ✗ Time-consuming → completion takes longer due to greater attention to detail and high quality. ✗ Replacements more difficult to find → products were made for a specific purpose to a particular design. 	<ul style="list-style-type: none"> ✗ Products no longer produced to a unique specification ✗ Quality is not as high compared to job production → less time and care is taken on individual products ✗ High level of stock may be needed → materials have to be stored and this is expensive. ✗ Machines have to be cleaned and reset before producing a different batch → this takes time and adds to costs. 	<ul style="list-style-type: none"> ✗ Machinery is expensive → smaller businesses may not be able to afford it. ✗ Lack of flexibility → flow production produces identical products → what if the customer wants a slight modification? ✗ Bored workers → could lead to lower quality.

